

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
2018 Quadrennial Regulatory Review – Review of	)	
the Commission’s Broadcast Ownership Rules and	)	MB Docket No. 18-349
Other Rules Adopted Pursuant to Section 202 of	)	
the Telecommunications Act of 1996	)	

**COMMENTS**

Galaxy Communications LLC (“Galaxy”) hereby submits comments in response to the above-referenced Notice of Proposed Rulemaking (“NPRM”) released by the Commission to initiate the statutorily mandated 2018 quadrennial review of its media ownership rules. Direct subsidiaries of Galaxy — Galaxy Syracuse Licensee LLC and Galaxy Utica Licensee LLC — own 13 radio stations serving the Syracuse and Utica, New York radio markets.

The 2018 quadrennial review was launched pursuant to the requirement in Section 202(h) of the Telecommunications Act of 1996, which mandates the Commission to review its media ownership rules every four years to determine whether they remain “necessary in the public interest as the result of competition.”<sup>1</sup> Information submitted by the National Association of Broadcasters (“NAB”) and other broadcasters prior to the adoption of the NPRM convincingly demonstrates that the competitive landscape faced by radio broadcasters is drastically different than it was when the current local radio ownership rule was adopted in 1996. The NPRM acknowledges that competitive changes in the industry are continuing. Indeed, the pace of

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<sup>1</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, Sec. 202(h), 110 Stat. 56, 111-12 (1996 Act).

change is significantly greater today than it was only a few years ago when the FCC initiated its 2014 quadrennial review.

On June 15, 2018, the NAB submitted a letter to the Chief of the Media Bureau in anticipation of the initiation of the 2018 quadrennial review, which has been incorporated as part of the record for the NPRM (the “NAB Letter”). The NAB Letter describes the significant change in the competitive landscape faced by radio broadcasters, explaining that when the current rules were adopted in 1996, Spotify, Pandora, SiriusXM, Facebook and YouTube did not exist.<sup>2</sup> The letter emphasizes that “the FCC’s approach to regulating free OTA radio must reflect today’s competitive audio market in which consumers have access to a virtually infinite number of ‘stations’ tailored to their specific interests. Continuing to insist that the existing radio ownership limits are necessary because local stations only compete among themselves defies reality and is contrary to law.”<sup>3</sup> The NAB Letter urges the Commission to relax the current local radio ownership rule to permit one entity to own up to eight commercial FM stations and an unlimited number of AM commercial radio stations in the top 75 markets and to eliminate any restrictions on the number of stations that one entity can own in markets that are below the top 75 or unrated.<sup>4</sup>

Several radio broadcasters have filed letters with the FCC strongly supporting the NAB’s conclusions regarding the state of competition in the audio market and its proposal for relaxation

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<sup>2</sup> Letter from National Association of Broadcasters, to Michelle Carey, Esq., Chief, Media Bureau, MB Docket No. 18-349 (filed June 15, 2018) (“NAB Letter”) at 1.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> *See id.*

of the local radio ownership rule.<sup>5</sup> For example, as noted in the NPRM, Connoisseur and Townsquare Media filed a letter explaining how significant changes in the advertising market have caused considerable harm to local radio because digital media companies such as Google and Facebook have captured significant shares of local advertising dollars in every radio market.<sup>6</sup>

Galaxy wholeheartedly agrees with the statements expressed by the NAB and other radio broadcasters. The audio market in Syracuse and Utica is increasingly fragmented, and listeners have available numerous sources of music, sports and news audio programming. Significantly, the share of advertising dollars going to Galaxy's radio stations (and the other terrestrial radio stations in its markets) has declined significantly in recent years while the share of advertising garnered by digital media is increasing rapidly.

In 2017, Dr. Mark Fratrik, Sr. Vice President, Chief Economist of BIA/Kelsey, prepared an analysis of the position of local radio stations in the Syracuse, NY media marketplace ("BIA/Kelsey 2017 Analysis").<sup>7</sup> A copy of the analysis is attached hereto as Attachment A.<sup>8</sup> The BIA/Kelsey 2017 Analysis demonstrates quite clearly that the share of the advertising

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<sup>5</sup> See e.g., Letter from David D. Oxenford and Danielle K. Thumann, Wilkinson, Barker, Knauer, LLP, Counsel for Connoisseur Media, LLC, and Townsquare Media, Inc., to Marlene Dortch, Secretary, FCC, MB Docket No. 18-227 (filed Nov. 13, 2018) ; Letter from J. Allen Dick, President of Dick Broadcasting Co. Inc., to Marlene H. Dortch, Secretary, FCC, Docket No. 18-349 (filed April 9, 2019) ("Dick Broadcasting Letter").

<sup>6</sup> *In the Matter of 2018 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act*, Notice of Proposed Rulemaking, MB Docket No. 18-349 (rel. Dec. 13, 2018) ("NPRM") at ¶ 18.

<sup>7</sup> Mark R. Fratrik, Ph.D, Analysis of Local Radio Station's Share In The Syracuse, NY Media Market, BIA/Kelsey (Feb. 22, 2017) ("BIA/Kelsey 2017 Analysis").

<sup>8</sup> Dr. Fratrik is updating the analysis to reflect more recent information and projections, and Galaxy intends to file the updated information when it is completed.

revenue in the Syracuse market received by local radio stations has declined steadily since the Commission's last quadrennial review in 2014. Specifically, in 2014, local radio stations' over-the-air advertising share in the Syracuse, NY radio market was 12.3%. In 2017, the share was projected to be 11.1%, and by 2021, the share is projected to drop to 9.8%.<sup>9</sup> Meanwhile, the share of local advertising revenue going to digital and online media is increasing dramatically. The BIA/Kelsey 2017 Analysis explains that "[a]s more consumers turn to non-broadcast related online sites, as well as mobile apps, local businesses are redirecting their advertising spending. Further, with the expected continuing growth in the popularity in non-broadcast related mobile and online properties, we believe the share going to local radio stations will continue to decrease."<sup>10</sup> In 2017, Google, Facebook and Bing, together were projected to receive 14.9 percent of the advertising revenue in Syracuse, with Google alone at 10.8%.<sup>11</sup> The BIA/Kelsey 2017 Analysis projects that by 2021 those three entities' share will total 19.8% (compared to 9.8% for **all** local radio stations combined), and that Google alone will garner 13.3%.<sup>12</sup> The Analysis explains: "Google leads all companies in generating mobile and online advertising revenue, including the local traditional media involved in online activities. The ability to provide the Syracuse, NY radio market with needed news, information, and entertainment has allowed Google to boost their advertising revenue immensely...."<sup>13</sup> .

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<sup>9</sup> BIA/Kelsey 2017 Analysis at 6.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 7

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

The information in the BIA/Kelsey 2017 Analysis is corroborated by market revenue reports for the Syracuse market as well as studies conducted by other organizations. According to Miller Kaplan reports for the Syracuse market, total spot revenues (including local and national) for the Syracuse market declined by \$2,525,000, or 10.7% between 2014 and 2018. A recent eMarketer report on global digital ad spending concludes that in 2019, Google will remain the largest digital seller in the world accounting for 31.1% of worldwide ad spending, and Facebook will be second.<sup>14</sup>

In the NPRM, the FCC asks how the impact of Internet services like Google and Facebook on local advertising markets should factor into its consideration of the local ownership rule.<sup>15</sup> The information discussed above makes clear that it is becoming increasingly difficult for radio broadcasters, particularly those in smaller markets, to compete effectively. Because of the exponential growth in digital advertising, the profit margins of Galaxy and other local broadcasters are continuing to decrease, which makes it more difficult to invest in locally produced programming and upgrades to equipment and facilities. Yet, to differentiate themselves from the numerous online sources of audio programming against which they compete, these are precisely the investments that need to be made. The already unlevel playing field is skewed further against OTA radio broadcasters because none of the alternative providers of audio programming are confined by regulatory limits on the number of outlets or program streams they can provide. Indeed, two of these audio providers – Sirius XM and Pandora – recently completed a merger. In its first earnings call following the merger, the CEO of the newly combined entity, Jim Meyer, made clear that he considers the merged entity to compete

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<sup>14</sup> Jasmine Enberg, *Digital Ad Spending 2019*, eMarketer (Mar. 28, 2019), <https://www.emarketer.com/content/global-digital-ad-spending-2019>.

<sup>15</sup> NPRM at ¶ 22.

directly will all audio providers, including OTA radio. He explained that the Company's overall goal is to "provide content for subscribers as they move throughout the day from home, vehicle and beyond" and that the company's job is to get people to listen, and to monetize listeners better than other audio providers no matter where they listen.<sup>16</sup>

Relaxation of the local radio ownership limits will enable broadcasters like Galaxy to take advantage of critical economies of scale that operation of multiple stations permits. As the NAB Letter states "[s]uch economies of scale are particularly important for smaller radio broadcasters earning limited revenues."<sup>17</sup> Based on the information above which demonstrates the competitive hurdles faced by OTA radio broadcasters, Galaxy respectfully urges the Commission to adopt the proposal made by NAB regarding the relaxation of the local radio ownership rule, including the elimination of any ownership limits in markets ranked below 75.

The NPRM specifically requests comments on whether the Commission should account for different signal strengths of radio stations by weighting different classes of radio stations differently for purposes of applying the numerical limits.<sup>18</sup> In the event the FCC maintains

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<sup>16</sup> Inside Radio, Meyer: Integrating SiriusXM, Pandora 'One of the Funnest Puzzles We've Worked On', (April 25, 2019), [http://www.insideradio.com/free/meyer-integrating-siriusxm-pandora-one-of-funnest-puzzles-we-ve/article\\_0eedac98-672b-11e9-98ef-8769a3b1f1f2.html](http://www.insideradio.com/free/meyer-integrating-siriusxm-pandora-one-of-funnest-puzzles-we-ve/article_0eedac98-672b-11e9-98ef-8769a3b1f1f2.html).

<sup>17</sup> NAB Letter at 3. *See also Comments of Local Community Broadcasters*, MB Docket No. 18-227 (filed Dec. 21, 2018) at 6 ("Allowing local broadcasters to grow will provide the resources necessary to fuel expansion of local services that are broadcast radio's forte."); Dick Broadcasting Letter at 1 ("[I]t takes top-line income to attract and pay strong local on-air talent, to provide local news and information, to offer health insurance and to deliver other benefits to our employees").

<sup>18</sup> NPRM at ¶ 28.

numerical limits, Galaxy requests the Commission to adopt a discount for Class A FM stations.<sup>19</sup> When the Commission adopted a UHF discount for purposes of determining compliance with the national ownership cap applicable to television stations, it did so because of the technical difference between UHF and VHF services. Specifically, the FCC explained: “retention of the UHF/VHF distinction with respect to the audience reach limit is primarily a reflection of the physical reach limitations of the UHF service as compared with the VHF [service].”<sup>20</sup>

The same distinction is relevant to radio stations. The FCC’s rules impose differing minimum and maximum facilities requirements based on a station’s class. Class A stations are limited to a maximum power of 6 kW and maximum antenna height above average terrain (“HAAT”) of 100 meters.<sup>21</sup> The next lowest classes (B1 and C3) have a maximum ERP of 25 kW, Class B Stations have a maximum ERP of 50 kW and Class C1, C0 and C Stations have a maximum ERP of 100 kW.<sup>22</sup> Class B, C2, C1, C0 and C Stations also have higher maximum antenna HAAT than Class A stations.<sup>23</sup> Due to the power and antenna height limitations set forth in Commission rules, Class A FM stations cover a much smaller area and are technically inferior to all other FM stations.

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<sup>19</sup> Because Galaxy supports the proposal to eliminate any restrictions on the number of AM stations an entity can own in any size market, these comments do not specifically address whether a similar discount should be applied to lower power AM stations. But Galaxy does not oppose the use of a discount for lower powered AM stations.

<sup>20</sup> *Amendment of Section 73.3555 (formerly 73.35, 73.240, and 73.636) of the Commission’s Rules Relating to Multiple Ownership of AM, FM and Television Broadcast Stations*, 100 FCC 2d 74, ¶ 43 n. 55 (1985).

<sup>21</sup> 47 CFR § 73.211(b).

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

In the statutorily mandated review of its ownership rules the Commission conducted in 2002, it acknowledged that broadcasters with technically inferior stations face competitive disadvantages.<sup>24</sup> At that time the Commission suggested that certain other factors such as programming choice could mitigate these differences. In today's hyper-competitive environment with steadily declining advertising revenues, the competitive disadvantages are exacerbated for smaller broadcasters such as Galaxy that operate technically inferior Class A stations. Galaxy owns four FM stations licensed to the Syracuse market, and all of them are Class A stations. In contrast, iHeart Media also owns 4 FM stations, but three are full Class B stations and one is Class B1. Based on the 54 dBu contour, the population covered by iHeart's FM stations ranges from 599,746 to 1,215,280, averaging 893,246. The population covered by Galaxy's four Class A FM stations ranges from 93,937 (for Station WTKV(FM) located on the outskirts of the market) to 488,950, averaging 371,960, or only 42% of the average population covered by iHeart's stations. In an effort to duplicate the coverage area achieved by its competitors' higher power stations, Galaxy simulcasts programming on two pairs of Class A FM stations which do not have overlapping contours.

This example denotes how Class A stations suffer from a technical handicap comparable to that which was suffered by UHF stations when the UHF discount was adopted, and that it is inequitable for a Class A station to be counted as equivalent to Class B and Class C stations in determining multiple ownership compliance. Any ownership limits imposed on radio stations

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<sup>24</sup> 2002 Biennial Regulatory Review-Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, ¶ 290 ("[R]adio stations are not all equal in terms of their technical capabilities ... and ... the technical differences among stations can cause radio station groups with similar numbers of radio stations to have vastly different levels of market power.").



should account for this difference. Based on the smaller coverage area of Class A stations, Galaxy urges that the Commission adopt a Class A discount whereby a Class A station would count for .5 of one station in meeting any numerical limits set by the Commission. In other words, if a broadcaster owned two Class A stations in a market, only one station would be counted against its ownership limit in that market. Galaxy submits that the adoption of this administratively simple method of accounting for the technical limitations of Class A FM Stations will help ensure viability of small local broadcasters and will provide realistic opportunities for new entrants to acquire stations and compete in the increasingly diverse and fragmented audio market.

#### CONCLUSION

For the foregoing reasons, Galaxy urges the Commission to adopt the NAB proposal for relaxation of the local radio ownership rules. If the Commission imposes limits on the number of FM stations that can be commonly owned in a market, it should apply a discount for Class A FM stations.

Respectfully submitted,

Galaxy Communications LLC

By: /s/ Edward Levine  
Edward Levine  
CEO

April 29, 2019

## ATTACHMENT A

**Analysis of Local Radio Station's Share**

**In the Syracuse, NY Media Market**

**Mark R. Fratrik, Ph.D.**

**Sr. Vice President, Chief Economist**

**BIA/Kelsey**

**February 22, 2017**



## Introduction

Recent years have seen a significant change in the competitive local media environment. In a market like Syracuse, NY there are numerous radio and television stations, as well as daily and weekly newspapers, providing a wide variety of different viewpoints. These “traditional” media properties are owned by many different owners.

Added to that listing of traditional media sources are a number of highly competitive non-broadcast local advertising platforms that provide alternative sources of information and entertainment through online websites and mobile apps. Consumers in the Syracuse, NY market now have a tremendous number of choices to turn to for news, information, and entertainment. Local advertisers now have multiple new non-broadcast online and mobile apps available to place targeted advertising messages. For example, as the following analysis demonstrates, local, digital advertising revenue captured by major social media platforms such as Google, Facebook, and Bing combined (\$40.5 million) exceeds the advertising revenue garnered by all of the local Syracuse radio stations (\$32.5 million). In fact, Google’s share of the Syracuse advertising market (\$29 million), by itself, will soon exceed the combined advertising revenue share of all over-the-air local radio stations (\$30.2 million) as well as the share obtained by the digital platforms of these radio stations.

The purpose of this paper is to document the position of local radio stations in this increasingly diverse Syracuse, NY media market place in which they compete. Through the use of BIA/Kelsey’s Media Ad View,<sup>1</sup> we can assess the relative importance of non-traditional media in providing alternative sources of news, information and entertainment by “following the money trail.” Local advertisers are increasingly utilizing other advertising platforms and media because consumers are increasingly gravitating to those new media as sources for news, information and entertainment.

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<sup>1</sup> BIA/Kelsey’s Media Ad View product is a comprehensive examination of the local media marketplace providing estimates for 16 different advertising platforms for all local markets. This service is subscribed by all different local media companies ranging from the traditional media companies as well as the newer online companies. These subscribers use these estimates for planning and strategic purposes.

Our analysis of the Syracuse market demonstrates that there has been a dramatic change in local market competition. Local media markets are now defined by intense competition for local advertising revenue across all media platforms, including traditional and social media.

The competitive impact of new media technologies has become especially acute in medium and small markets such as Syracuse. After analyzing this wider media market in Syracuse, NY, it is clear that while local radio stations are an important player, there are an increasing number of choices for consumers to access news, information, and entertainment. As a result, the relative share of local advertising revenue captured by local radio stations in this market has been decreasing in recent years. Therefore, it seems only appropriate that the current radio local ownership rules, which were designed before the emergence and dramatic growth of these new media platforms seem outdated and ripe for revision. Importantly it is clear that the competitive impact of social media is not confined to the largest markets.

## Wider Market for Information, News and Entertainment

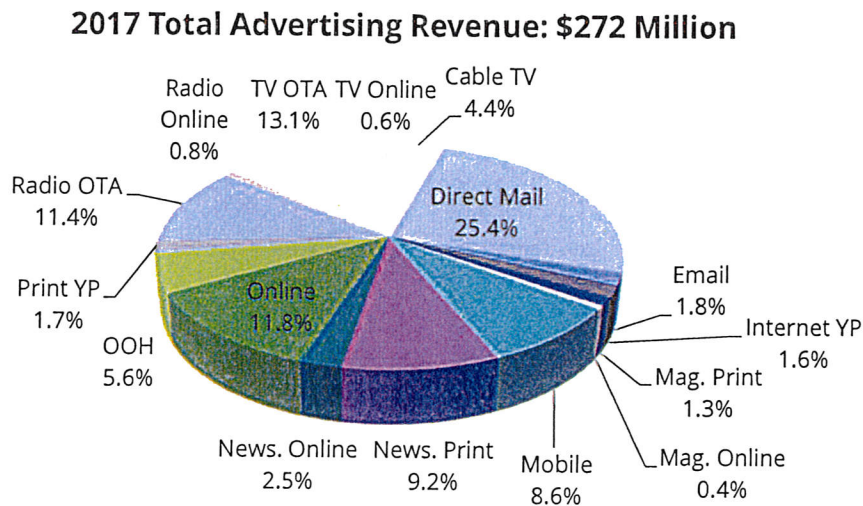
One cannot overlook the incredible changes in the wider media marketplace with the increased number of alternative sources for news, information, and entertainment. From the increased popularity of hundreds of cable/satellite delivered networks to the increased number of mobile apps available on smartphones to the almost infinite number of websites, consumers have an ever-expanding number of choices to access news, information, and entertainment.

In response to this significant increase in choices being offered to consumers and advertisers migrating to these new media, BIA/Kelsey started offering information on this wider marketplace. Specifically, BIA/Kelsey started its Media Ad View service where estimates on advertising revenue are provided showing the relative position of all the different media/advertising platforms now available in the local markets.

## Syracuse, NY Radio Market View

To get a sense of this wider marketplace in which local radio stations now competes, Figure 1 shows the Media Ad View 2017 estimated results depicting the advertising shares of the various media/advertising platforms for the Syracuse, NY radio market.<sup>2</sup>

**Figure 1 – 2017 Syracuse, NY Radio Market Media Ad View: Media/Ad Platforms Shares**



(BIA/Kelsey, 2017)

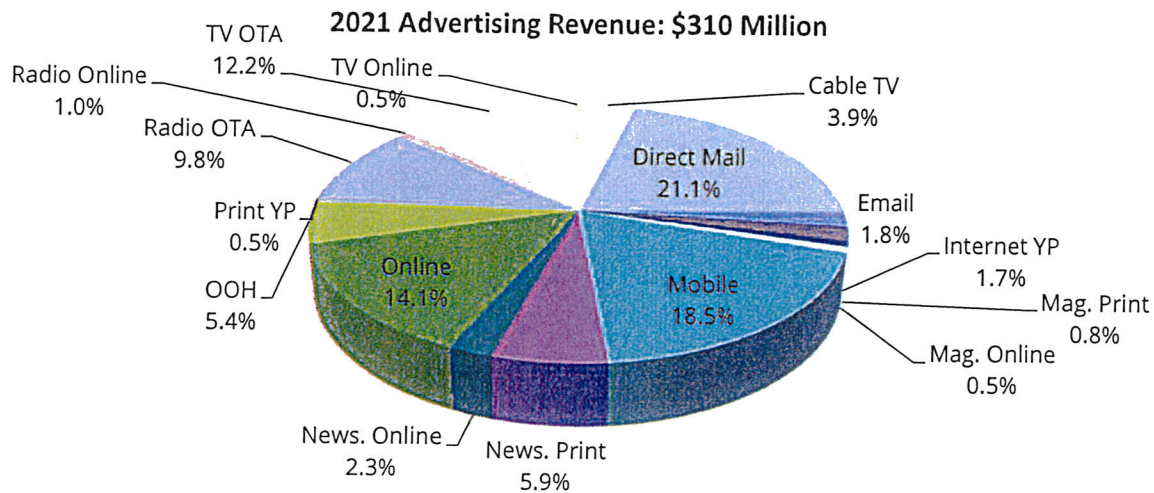
As seen, local radio stations generate less than one-eighth (11.4%) of the total local advertising revenue from their over-the-air broadcasts. On the other hand, several new media are garnering significant and increasing shares of this local advertising market, reflecting consumers' use of those media for news, information, and entertainment. Online, representing the online sites not associated with traditional media properties, now attracts enough users to garner nearly one-eighth (11.8%) of the total advertising spending. In similar fashion, mobile sites and apps attracting a considerable usage by consumers now realize over one-twelfth (8.6%) of this advertising revenue. These new online/digital media are expected to experience double-digit growth over the next few years, indicating the increasing appetite for consumers to access news, information, and entertainment with these new media.

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<sup>2</sup> The Syracuse, NY radio market is the 91<sup>st</sup> radio market ranked in terms of population by Nielsen Audio and encompasses three counties in upstate New York.

To realize the potential impact of these new other media providing news, information, and entertainment, one only has to look at the estimates of their shares of advertising revenue only four years later and see how much they are expected to increase. Figure 2 shows the Media Ad View 2021 estimated Syracuse, NY estimates depicting the advertising shares of the various media/advertising platforms.

**Figure 2 - 2021 Syracuse, NY Radio Market Media Ad View: Media/Ad Platforms Shares**



(BIA/Kelsey, 2017)

The following table shows the actual dollar amounts for these 16 advertising platforms for the two years – 2017 and 2021.



**Table 1 - Local Media Advertising Platforms Revenue for 2017 & 2021 for the Syracuse Radio Market (\$000s)**

Advertising Platform	2017	2021	Percent Change
Cable TV	11,822	12,024	1.7%
Direct Mail	67,352	65,676	-2.5%
Email	4,858	5,683	17.0%
Internet YP	4,476	5,361	19.8%
Mag. Print	3,166	2,511	-20.7%
Mag. Online	1,056	1,621	53.5%
Mobile	29,094	57,654	98.2%
News. Print	22,456	18,297	-18.5%
News. Online	6,666	7,027	5.4%
Online	33,703	43,743	29.8%
OOH	15,302	16,740	9.4%
Print YP	3,609	1,616	-55.2%
Radio OTA	30,200	30,578	1.3%
Radio Online	2,290	3,130	36.7%
TV OTA	34,335	37,982	10.6%
TV Online	1,670	1,553	-7.0%
<b>TOTAL</b>	<b>272,055</b>	<b>311,195</b>	<b>14.4%</b>

(BIA/Kelsey, 2017)

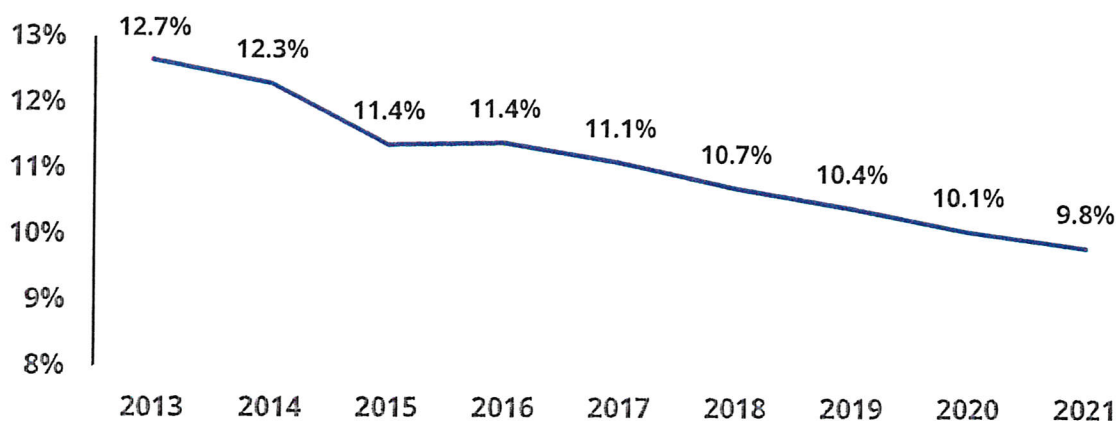
Given the expected increased use of the new media, the share of local advertising revenue attributable to local radio stations will decrease to 9.8%. In contrast, the online sites not associated with traditional media properties, will attract enough users to garner one-seventh (14.1%) of that local advertising revenue. Mobile advertising will increase the fastest, reaching nearly one-fifth (18.5%) of that total advertising revenue, once again reflecting the increased use of mobile devices for accessing news, information, and entertainment.

### Historical Examination of Local Radio's Share in the Syracuse, NY Market

This expected decrease in the advertising share attributable to local radio stations in the Syracuse, NY radio market is a continuation of a recent trend. Figure 3 shows the local radio stations share of local advertising revenue attributable to their over-the-air advertising revenue starting in 2013.



**Figure 3 - Local Radio Stations' Over-the-Air Advertising Share in the Syracuse, NY Radio Market: 2013-2021**



(BIA/Kelsey, 2017)

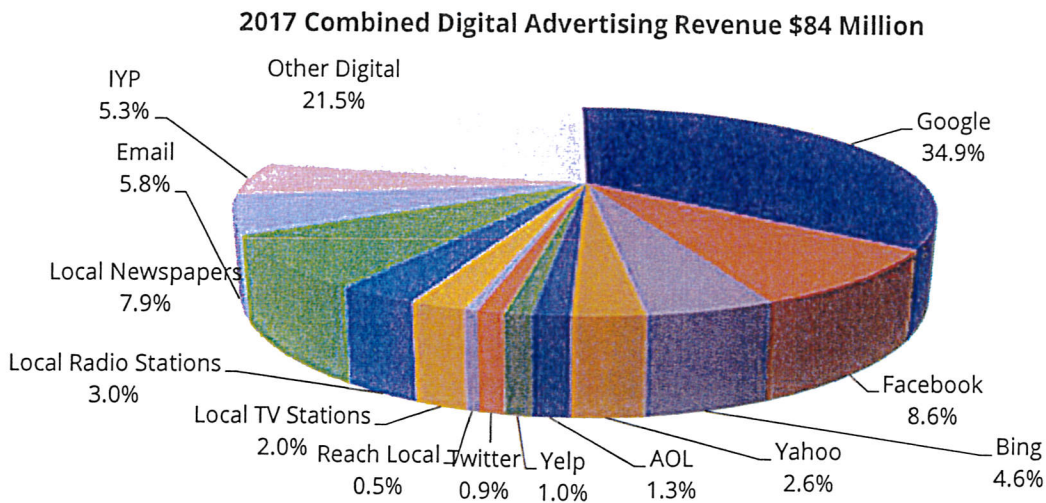
Clearly, local radio stations are feeling the impact of the increased competition they face for both audiences and advertisers. As more consumers turn to non-broadcast related online sites, as well as mobile apps, local businesses are redirecting their advertising spending. Further, with the expected continuing growth in the popularity in non-broadcast related mobile and online properties, we believe that the share going to local radio stations will continue to decrease.

#### Online Companies in the Syracuse, NY, Market

Turning to this growing segment, many of the online and mobile companies are attracting great usage nationwide and in many different markets. With this greater usage by consumers, these non-broadcast related mobile and online companies are selling advertising targeted to specific local markets. This focus on local markets prompted BIA/Kelsey to start estimating the actual advertising revenue generated by these online and mobile firms that is attributable to each of the local markets. This new service, BIA/Kelsey's *Local Competition Report*, is being used by both traditional and online/mobile media companies to assess the local competition.

Figure 4 shows the estimated shares of these online and mobile companies of the total local advertising in the Syracuse, NY radio market.

**Figure 4— Combined Digital (Mobile + Online) Advertising Revenue in the Syracuse, NY Radio Market**



(BIA/Kelsey, 2017)

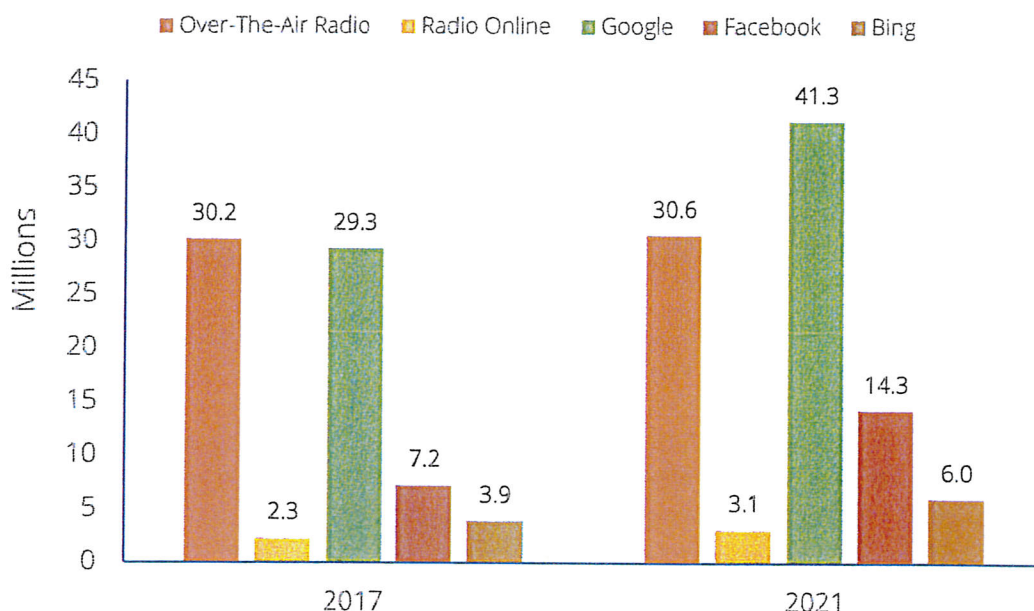
Google leads all companies in generating mobile and online advertising revenue, including the local traditional media involved in online activities. The ability to provide the Syracuse, NY radio market with needed news, information, and entertainment has allowed Google to boost their advertising revenue immensely, with an estimated \$29.3 million of revenue in that radio market alone.

Comparing the data from the previous figures reveal that we are on the cusp of a significant transformation in the Syracuse market. This comparison can be seen in Table 2 below.

**Table 2 - Comparison of Advertising Revenue Generated by Local Radio Stations and Online Companies in the Syracuse, NY Radio Market**

Advertising Platform	2017 Adv. Revs (\$000s)	2017 Adv. Share	2021 Adv. Revs. (\$000s)	2021 Adv. Share
Over-The-Air Radio	30,200	11.4%	30,578	9.8%
Radio Online	2,290	0.8%	3,130	1.0%
Google	29,334	10.8%	41,270	13.3%
Facebook	7,214	2.7%	14,258	4.6%
Bing	3,900	1.4%	6,023	1.9%

(BIA/Kelsey, 2017)



The data above for the Syracuse, NY radio market make clear that non-broadcast related Internet and social media are having a significant competitive effect in local markets. Google, by itself, will soon eclipse the total amount generated by all of the local radio stations in the Syracuse radio market. As these local advertising markets begin to trend more toward digital services, and away from traditional media, the competitive posture of companies like Google increase, while the relative competitive position of traditional radio stations decline.

## Conclusion

What is occurring in the Syracuse, NY radio market is occurring in all markets of different sizes. Local radio stations face new and varied competition to attract audiences and to sell access to those audiences to advertisers. As consumers seek additional sources for news, information and entertainment, local advertisers seeking access to those audiences, have increased their advertising spending with these new platforms. As a result, while local radio stations still remain an important part of the local advertising marketplace, in Syracuse and elsewhere, their position has diminished.

Given the growth and new competitive pressures from digital and social media platforms, government policies designed to restrict common ownership of radio stations in local markets like Syracuse, NY should be reexamined. The data presented above demonstrates that relaxation

of the local radio ownership rules is warranted not only in the largest markets, but in small and medium markets as well. The competitive impact of firms such as Google on local advertising markets is especially acute in medium and small market. Thus, when examining these rules, government policies must look beyond the suggestion that deregulation should only occur only in large markets. Allowing for increased economic efficiencies by expanding local radio market combinations in markets such as Syracuse, NY may be necessary to help ensure the economic vitality of the traditional free, over the air local radio stations. Changing the local ownership rules could help ensure that local radio stations remain an important component of a diverse media marketplace now being shared with an increasingly significant non-broadcast digital and social media sector.